

Management Direction Fiscal 2014

Focus on Growth Strategy Built around Expanded Business Areas

■ Roadmap to Earnings Growth

In response to whirlwind changes in the overall business environment, Fujitsu made structural reforms a major management theme from FY2012 through FY2013. The company will continue to pursue structural reforms as more changes unfold, and has set firm goals for semiconductors, ubiquitous products, and overseas business—three areas that represent significant challenges. From FY2014, the main focus has been the company's strategy for growth.



Roadmap to Earnings Growth

■ Growth Strategy: Expanding into New Business Areas

Fujitsu strives to attain growth by taking action in three business domains. The first is working to expand ICT usage by enterprises. Existing ICT areas for enterprises are expected to contract due to cost-cutting pressures and intensifying competition, although ICT usage in fields that can directly contribute to customers' sales and profit have become ever more important. Fujitsu is working to expand ICT usage by enterprises through its drive to promote modernization and innovative marketing, work styles, and manufacturing based on business innovation. The second is to broaden efforts in new areas of ICT. Fujitsu endeavors to solve social issues in the course of its business, and will realize growth in new ICT fields such as healthcare, transportation, and agriculture based on social innovation. The third is to expand these business areas globally. By deploying standardized services on a global scale, Fujitsu aims to achieve sustainable growth.



Framework for Growth Strategy

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Expand enterprise-focused ICT areas: Business innovation

ICT usage is expanding into areas that have a direct impact on company sales and profits. Fujitsu is determined to keep proposing solutions that bring ICT into these new fields. In the marketing field, for example, Fujitsu will spur innovation through omni-channel utilization, which brings together all the channels that customers operate in, and other solutions in areas like social media analytics. By making it easier for companies to use smart devices on the frontline and build on integrated communication platforms, Fujitsu will continue to help promote work style innovation. Manufacturing is another area where Fujitsu will work to make a difference: 3D printing and virtual simulations will allow companies to develop groundbreaking products and make dramatic reductions in design and production lead time. To make these innovations possible, Fujitsu will focus on developing and enhancing the necessary cloud, SDN (Software-Defined Networking), mobile, big data, security, and SI (system integration) products and services. Fujitsu will also develop a next-generation cloud platform using cutting-edge technologies, including SDN and massively distributed processing, to enable high-speed data processing and meet a wide array of other usage needs. A new team comprising experts from both the SI and platform divisions will also let Fujitsu grow its business in a consistent development framework.

Meanwhile, the worldwide spread of the Internet of Everything (IoE)—a concept that envisions the Internet linking virtually everything imaginable—has set the stage for Fujitsu to strengthen its product and service offerings in the "next-generation front-end area" that covers sensors, embedded systems, and wearables.

Expand into new ICT usage areas: Social innovation

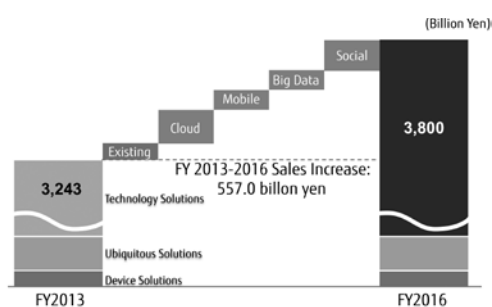
Fujitsu will further accelerate its efforts to develop social innovations that solve society's problems, including issues in the fields of health, medicine, transportation, and agriculture, with ICT. To drive its initiatives in the health and medicine field, Fujitsu has established the Next-Generation Healthcare Innovation Center—a facility that Fujitsu is using to leverage ICT toward developing new drugs and creating new business in areas like preventive medicine. By working with hospitals, universities, research institutions, government agencies, pharmaceutical companies, and other organizations, Fujitsu will continue to contribute to the creation of future health care and the formation of a healthy society. In the transportation field, Fujitsu is making efforts to create an interconnected network of automobiles and enable new modes of information usage. One of the main goals in this area is to provide new value, ranging from improved fuel consumption to accident diagnostics and vehicle life-span prediction, by offering automobile status monitoring and other solutions. Another key area for Fujitsu is agriculture, where the company launched its "Akisai" food and agriculture cloud in 2012, having conducted field trials with agriculture companies since 2008. Akisai currently has over 200 user organizations, including agriculture companies, distributors, retailers, local governments, and the JA union of agricultural cooperatives. By fusing Japan's formidable agricultural technologies with ICT, robots, and energy technologies, Fujitsu will strive to create new smart agriculture (new ICT-driven agricultural production models) and spark significant improvements in productivity to help tackle the food-related problems that come along with the growing global population.

Expand business areas globally

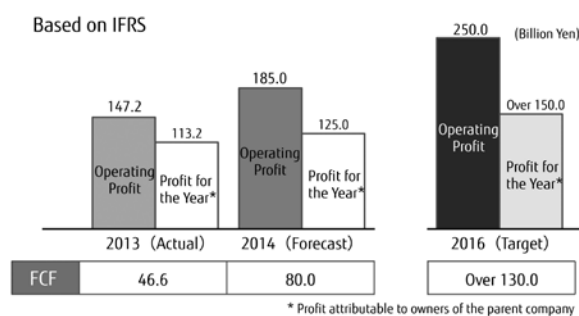
Finally, Fujitsu will take these initiatives global to fuel sustainable growth. From April, the company eliminated its "International Business" and reorganized into a five-region structure that will further enhance global integration for Japan and all other areas. Focusing on managed services and innovation-related solutions, Fujitsu will also push the global provision of uniform services, expand global service locations, and standardize tools and platforms to strengthen the company's delivery functions. One of the priority areas for Fujitsu is the ASEAN region, which is primed to thrive as a growth market after the ASEAN Economic Community launches in 2015. Fujitsu has also established a base in Myanmar, and intends to provide ICT support to Japanese companies as they increase their pace of expansion into ASEAN.

■ Medium-Term Targets

Fujitsu is aiming for sales of 3.8 trillion yen in Technology Solutions by fiscal 2016, using its cloud, mobile, big data, social, and other offerings to promote growth. Taking advantage of its global delivery structure, the company wants to secure 300 billion yen of the overall sales total from the four regions (EMEIA, Americas, Asia and Oceania) outside Japan. This target reflects Fujitsu's commitment to expanding sales as a truly global company, one that looks beyond Japanese borders for growth drivers. Fujitsu plans to make investments of 200 billion yen to meet the goals of this growth strategy. As it continues to invest aggressively, the company will strive to achieve consistently profitable growth and reach 250 billion yen in operating profit by FY2016.



Framework for Growth



Medium-Term Targets